

# The Most Underutilized Strategic Advantage

Contributed by Lee B. Salz

Sales people are always looking for a way to differentiate themselves to win an account. Few use one of the most powerful tools in their bag, the right reference.

You have been chasing this account for six months and feeling optimistic as the buying process is coming to a conclusion. The sale is between you and two other firms. The competition is fierce, but you feel you are ahead. At 11am, the Procurement Agent asks for three references to be provided to her by the end of the day. In a panic, you send a company-wide email in search of these referenceable clients. At 4:58pm, you get the three references from your colleagues and quickly send them out to the Procurement Agent. Whew! Mission accomplished! They wanted three references and you got it done. And so did everyone else. You see the finish line, forgetting that many a sales person has fallen one step short of winning.

This scenario plays out in companies every day across the country. It doesn't matter if the company is big or small, nor does it matter the type of industry. The request for references is a standard part of any buying process. However, few sales people use the reference stage of the process to their strategic advantage. They simply desire to provide a quick response to the prospect with their requested references. In the mind of the sales person, the speed of the response communicates supplier performance. While somewhat true, the discussions the prospect will have with the references carries more weight in the selection decision than the speed of the response from the potential supplier.

When I talk to sales people, one of their most common gripes is that they are selling a product that is viewed as a commodity in the marketplace. They cite "price" as their biggest bugaboo. Right behind that they lament about their inability to differentiate their product. (The truth is that price and differentiation are directly related, but that is a topic for another article.) When I ask sales people if they would like to learn of an easy way to get a competitive edge, they are all ears. After I share with them that they have the ability to differentiate themselves through managing the reference selection process, they look at me in shock as they can't believe they have been missing this opportunity. Then the stories start to come out. "Yeah, I lost a deal because they called the reference and we had just screwed up their order. I should have checked before I used them" The stories just continue from there.

But why do prospects ask for references? Webster's defines "reference" as someone who can make a statement about a person's qualifications, character, and dependability. Interestingly, there is a perception disconnect on references between sales people and prospects. When I talk to sales people, I usually hear that references are just a standard part of due diligence. Some use the term "rubber stamp" of an award. However, when I talk to buyers, I hear a very different message. Many buyers look at the reference step of the buying process as their opportunity to validate the message that they have been hearing from the potential supplier. In essence, prospects are searching to ascertain whether a supplier can deliver on the promises made during the buying process. Can the supplier really handle this size account? Are they really that fast? Or that accurate? Is the service as good as they described?

In many cases, the change of provider carries with it the ownership of the supplier's performance. If the new supplier does not perform to the expectations that have been represented, there is risk for those who selected it. Heads will roll! Sometimes, prospects ask the same questions of the reference that they asked of the sales person to see if there is a difference in response. Other times, they ask specific questions relative to their needs that may not have been shared with the sales person. For the prospect, this is their most critical evaluation step of a supplier's expected performance.

It is the little things that winning sales people do that makes them winners. So, if all of the competing sales people are going to provide "good" references, can you provide the "best" references? You most certainly can! However, there is a process to do so as "best" is different for each prospect."

The first step is a conversation with the Procurement Agent. "I received your request for references and I'm happy to provide them. So that I can provide you with the references that best support your initiative, what are you hoping to learn from our clients?" If you can gather that information from the Procurement Agent (don't say it can't be done until you try it), you have the roadmap to identifying references. Even if they can't or won't provide you with this information, you have at least shown that you care. And "care" can be the differentiator that pushes you across the finish line. All is not lost if you can't get that information either.

Going forward by taking a step back, think about the account and what is important to them. Reflect on what was learned during the needs analysis discussions. Thinking about that, imagine a different approach to responding to the request for references. If they were concerned about implementation, you provide an account that your company recently implemented. Perhaps, the decision is being made by a CFO, and you provide a reference of a CFO from one of your clients that can speak to your performance. For the third reference, you provide a client that is purchasing the same amount of the same product. From the prospect's perspective, how great is the opportunity to speak to three clients who can relate to their needs. They are able to gather the information they desire from someone with whom they share something in common. They feel confident in their ability to perform due diligence on their potential supplier. They can make an informed decision.

To take it a step further, imagine rather than simply sending the contact names and phone numbers to that Procurement Agent, you provide a brief narrative explaining to what each client was serving as a reference. How many sales people are doing that?

Still raising the bar, imagine contacting each of the three references and informing them that a call was coming their way to discuss your performance as a supplier. During that call, you share that this prospect is calling to discuss particular areas of the business. Thus, when the prospect calls the reference, the reference is expecting the call and is prepared for the conversation. What a great experience for your prospect and your client. Keep in mind, one great way to burn a relationship with a happy client is to surprise them with a reference phone call. No one likes to be blind-sided or unprepared. I've seen more than a few opportunities lost where the prospect cited the reference experience as the deciding factor. An unprepared reference reflects negatively on the supplier.

In a competitive marketplace, every opportunity that you have to demonstrate value to a prospect is critical. Leveraging the reference step of the process can give you just that little edge that pushes you over the top.

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